



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 8th day of June, 1999

Transmeridian Airlines, Inc.

**Violations of 49 U.S.C. § 41708
and 14 CFR Part 241**

Served June 8, 1999

CONSENT ORDER

This consent order concerns reporting delinquencies that constitute violations of 49 U.S.C. § 41708 and the accounting and reporting requirements in Part 241 of the Department's regulations (14 CFR Part 241) by Transmeridian Airlines, Inc. (Transmeridian), a certificated air carrier which operates large aircraft. This order directs Transmeridian to cease and desist from future similar violations and to pay compromise civil penalties.

The Department uses carriers' reports to monitor carrier fitness and ownership, to analyze the effects of air transportation industry policy initiatives, to allocate airport development funds, to forecast traffic, and to develop airport and airway traffic policy. A carrier's failure to file its reports in a timely manner, therefore, may prevent the Department from making fully informed decisions.

Transmeridian has failed to file reports on time as required on a number of occasions in the past. In 1997, Transmeridian became delinquent in filing reports and, in early 1998, both the Department's Office of Airline Information and the Enforcement Office warned the carrier that failure to bring itself into compliance and remain current in its reporting obligations would result in enforcement action. While Transmeridian did respond by filing the reports then overdue, it once again failed to comply with the applicable reporting schedules later in 1998 and, as of March 1999, had not filed 20 required reports, with an average delinquency of more than one month.¹

¹ Transmeridian has now filed all of its delinquent reports.

In mitigation, Transmeridian states that its failure to comply with the Department's reporting requirements was inadvertent and was attributable primarily to changes in its financial staff in the last year. According to the carrier, new staff members who joined the carrier during the seasonal peak in Transmeridian's service may have overlooked the preparation of these reports, instead devoting their attention to other responsibilities. The carrier states that it has strongly emphasized the importance of the Department's reporting requirements to its employees and that it fully intends to meet those requirements in the future.

The Enforcement Office has carefully considered the information provided by Transmeridian but continues to believe that enforcement action is warranted. In this connection, the Enforcement Office and Transmeridian have reached a settlement of this matter. Transmeridian consents to the issuance of this order to cease and desist from future violations of 49 U.S.C. § 41708 and Part 241 of the Department's regulations and to the assessment of \$25,000 in compromise of potential civil penalties. Of this amount, the carrier shall pay \$12,500 in accordance with the ordering paragraphs set forth below. The remaining \$12,500 shall be suspended for one year following the service date of this order and shall be forgiven unless Transmeridian fails to comply with the payment provisions of this order or commits other violations of 49 U.S.C. § 41708, 14 CFR Part 241 or this order during the year following service of this order, in which case the entire unpaid portion of the \$25,000 assessed penalty shall become due and payable immediately. We believe that this compromise assessment is appropriate and serves the public interest. It represents an adequate deterrence to future noncompliance with the Department's reporting requirements by Transmeridian, as well as by other air carriers and foreign air carriers.

This order is issued under the authority contained in 49 CFR 1.57a and 14 CFR 385.15.

ACCORDINGLY,

1. Based on the above discussion, we approve this settlement and the provisions of this order as being in the public interest;
2. We find that Transmeridian Airlines, Inc., has violated 14 CFR Part 241 by failing to file reports in a timely manner;
3. We find that by engaging in the conduct and violations described in ordering paragraph 2 above, Transmeridian Airlines, Inc., has also violated 49 U.S.C. § 41708;
4. Transmeridian Airlines, Inc., and all other entities owned or controlled by or under common ownership with Transmeridian Airlines, Inc., and its

successors and assignees, are ordered to cease and desist from violations of 49 U.S.C. § 41708 and Part 241 of the Department's regulations;

5. Transmeridian Airlines, Inc., is assessed \$25,000 in compromise of civil penalties that might otherwise be assessed for the violations found in ordering paragraphs 2 and 3 above. Payment of \$12,500 of the assessed penalty shall be due in four equal payments of \$3,125 each on July 1, 1999; August 2, 1999; September 1, 1999; and October 1, 1999. The remaining \$12,500 of the penalty assessed here shall be suspended for one year following the service date of this order and shall be forgiven unless Transmeridian, fails to comply with the payment provisions of this order or commits other violations of 49 U.S.C. §41708, 14 CFR Part 241, or this order, during that period, in which case the entire unpaid portion of the assessed penalty shall become due and payable immediately and the carrier may be subject to further enforcement action; and

6. Payments shall be made by wire transfer through the Federal Reserve Communications System, commonly known as "Fed wire," to the account of the U. S. Treasury in accordance with the attached instructions. Failure to pay the penalty as ordered will subject Transmeridian Airlines, Inc., to the assessment of interest, penalty and collection charges under the Debt Collection Act, and possible enforcement action for failure to comply with this order.

This order will become a final order of the Department 10 days after its service date unless a timely petition for review is filed or the Department takes review on its own motion.

BY:

ROSALIND A. KNAPP
Deputy General Counsel

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